

Reflections on aid and regime change in Ethiopia: a response to Cheeseman

Article (Published Version)

Adesina, Jimi O, Fischer, Andrew M and Hoffmann, Nimi (2021) Reflections on aid and regime change in Ethiopia: a response to Cheeseman. CODESRIA Bulletin Online (1). pp. 1-5. ISSN 0850-0712

This version is available from Sussex Research Online: <http://sro.sussex.ac.uk/id/eprint/96793/>

This document is made available in accordance with publisher policies and may differ from the published version or from the version of record. If you wish to cite this item you are advised to consult the publisher's version. Please see the URL above for details on accessing the published version.

Copyright and reuse:

Sussex Research Online is a digital repository of the research output of the University.

Copyright and all moral rights to the version of the paper presented here belong to the individual author(s) and/or other copyright owners. To the extent reasonable and practicable, the material made available in SRO has been checked for eligibility before being made available.

Copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational, or not-for-profit purposes without prior permission or charge, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

Reflections on Aid and Regime Change in Ethiopia: A Response to Cheeseman

In a [piece](#)¹ published on 22 December 2020, that he [describes](#)² as the most important thing he wrote in 2020, Nic Cheeseman penned a strong criticism of what he calls the ‘model of authoritarian development’ in Africa. This phrase refers specifically to Ethiopia and Rwanda, the only two countries that fit the model, which is otherwise not generalisable to the rest of the continent. His argument, in a nutshell, is that donors have been increasingly enamoured with these two countries because they are seen as producing results. Yet the recent conflict in the Tigray region of Ethiopia shows that this argument needs to be questioned and discarded. He calls for supporting democracy in Africa, which he claims performs better in the long run than authoritarian regimes, especially in light of the conflicts and repression that inevitably emerge under authoritarianism. His argument could also be read as an implicit call for regime change, stoking donors to intensify political conditionalities on these countries before things get even worse.

Cheeseman’s argument rests on a number of misleading empirical assertions which have important implications for the conclusions that he draws. In clarifying these, our point is not to defend authoritarianism. Instead, we hope to inject a measure of interpretative caution

Jimi O. Adesina
University of South Africa

Andrew M. Fischer
Erasmus University Rotterdam

Nimi Hoffmann
University of Sussex

and to guard against opportunistically using crises to fan the disciplinary zeal of donors, particularly in a context of increasingly militarised aid regimes that have been associated with disastrous ventures into regime change.

We make two points. First, his story of aid dynamics in Ethiopia is not supported by the data he cites, which instead reflect the rise of economic ‘reform’ programmes pushed by the World Bank and IMF. The country’s current economic difficulties also need to be placed in the context of the systemic financial crisis currently slamming the continent, in which both authoritarian and (nominally) democratic regimes are faring poorly.

Second, we reflect on Cheeseman’s vision of aid as a lever of regime change. Within already stringent economic adjustment programmes, his call for intensifying political conditionalities amounts to a Good Governance Agenda 2.0. It ignores the legacy of the structural adjust-

ment programmes in [subverting deliberative governance](#)³ on the continent during the 1980s and 1990s.

Misleading aid narratives distract from rebranded structural adjustment

On the first point, Cheeseman establishes his argument early on by stating ‘that international donors have become increasingly willing to fund authoritarian regimes in Africa on the basis that they deliver on development’. In support of this assertion, he cites a table from the World Bank that shows net Official Development Assistance (ODA) received by Ethiopia surging to USD 4.93 billion in 2018, up from just over USD 4 billion in 2016 and 2017, and from a plateau oscillating around USD 3.5 billion from 2008 to 2015.

These aggregated data are misleading because ODA received by Ethiopia from western bilateral donors in fact fell in 2018 (and probably continued falling in 2019 and 2020). The World Bank data that he cites are actually from the OECD Development Assistance Committee (DAC) statistics, which refer to all official donors (but not including countries such as China). If we restrict donor assistance to DAC countries – which is relevant given that Cheeseman only refers to the

US, the UK and the EU in his piece disbursed ODA to Ethiopia fell from USD 2.26 billion in 2017 to USD 2.06 billion in 2018 (see the red line in the figure below).

in which these countries were negotiating hard with the Ethiopian government at the time.

Instead, the sharp increase in

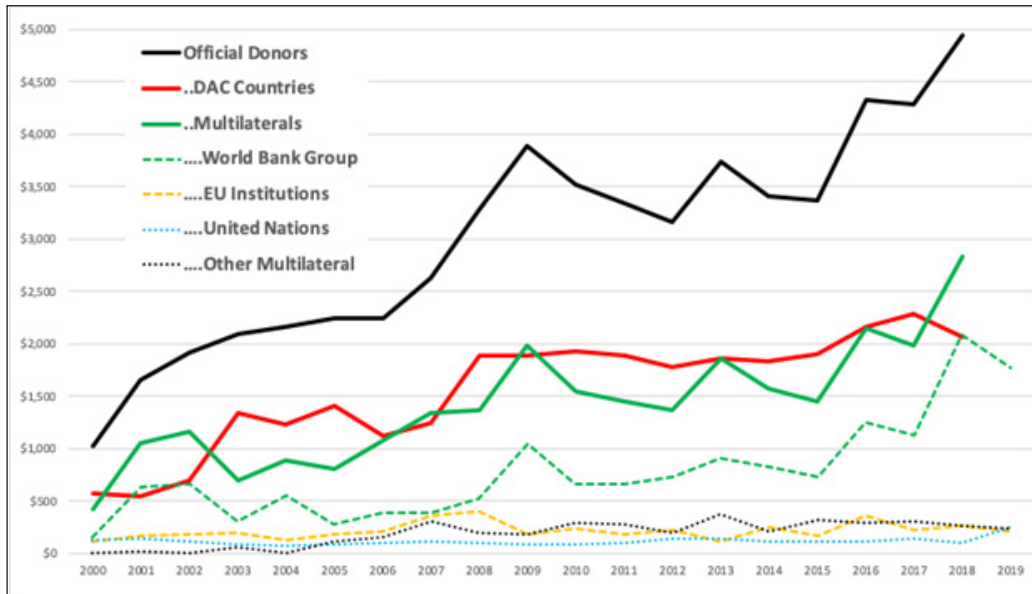
For instance, in [October 2018 it approved USD 1.2 billion from the IDA⁶](#) in support of ‘a range of economic reforms designed to revitalize the economy by expanding the role of the private sector ...

to gradually open up the economy and introduce competition to and liberalize sectors that have been dominated by key state-owned enterprises (SOEs)’. The support aimed to promote public-private partnerships in key state-owned sectors, such as telecoms, power and trade logistics, as key mechanisms to restructure these sectors, as well as broader deregulation and financial liberalisation. It is also notable that the World Bank prefaced this justification by emphasising the political reforms that had already been embarked upon, and the promotion of ‘citizen engagement social accountability’ in Ethiopia.

in support of ongoing economic reforms. The economic liberalisation has in turn undermined political liberalisation and has been a key source of political destabilisation.

The bargaining hand of these donors has been reinforced by the economic difficulties faced by the Ethiopian economy – in particular, a hard tightening of external foreign-exchange constraints. [Balance of payments statistics⁹](#) reveal

Figure: ODA to Ethiopia (millions USD), 2000–2019



Source: OECD stats, last accessed 30 December 2020

There was a brief moderate increase in DAC country ODA starting in 2015 and peaking in 2017. Cheeseman might have been referring to this. However, contrary to his argument, it was likely that the reason for this increase in aid was primarily humanitarian, responding to the [refugee influx from South Sudan⁴](#) that began in 2015 and to the [severe drought and famine risk in 2016-17⁵](#). It was also probably related to attempts to induce incipient political reform following the major protests in Oromia in 2014, aid for which Cheeseman would presumably condone given that conventional measures of democracy and freedom improved in 2018. Indeed, it is notable that committed ODA from DAC donor countries fell even more sharply than disbursed aid in 2018, from USD 2.49 billion in 2017 to USD 2.07 billion, reflecting the context

ODA in 2018 came entirely from the International Development Association (IDA) of the World Bank Group, which increased its mixture of grants and loans to the country from USD 1.1 billion in 2017 to USD 2.1 billion in 2018. This subsequently fell to USD 1.8 billion in 2019 (the dashed green line in the figure).

Such ODA has been explicitly tied to the World Bank’s long-standing goal of liberalising, privatising and deregulating the Ethiopian economy, thereby ‘reforming’ (or disassembling) many of the attributes that have allowed the Ethiopian state to act in a developmentalist manner. These attributes include state-owned enterprises, state control over the financial sector, and relatively closed capital accounts, in strong distinction to most other countries in Africa (including Rwanda).

that the government had effectively stopped external borrowing after 2015, a policy that it was advised to adopt in its [Article IV consultations with the IMF in 2016 and 2017](#) as its external debt distress levels were rising. As a result, the government became excessively reliant on donor grant money as a principal source of foreign financing. Yet the country continued to run deep trade deficits, in large part because its development strategies, as elsewhere in Africa, have been very import and foreign-exchange intensive (think of the Grand Ethiopian Renaissance Dam, requiring more than USD 4.6 billion to build, the bulk in foreign exchange). Significant capital flight appears to have taken place as well; for example, errors and omissions reported on the balance of payments were -USD 2.14 billion in 2018. In order to keep the ship afloat, the central bank burnt through over USD 1 billion of its reserves in 2018 alone.

This severe tightening of foreign-exchange constraints needs to be understood as a critical structural factor in causing the development strategy to stall. Along with non-economic factors, this in turn put considerable strain on the government's ability to stabilise political factions through the deployment of scarce resources, of which foreign exchange remains among the most important, especially in the current setting. Again, the point is not to apologise for authoritarianism, but rather to emphasise that the current situation is rooted deeper within a conjuncture of systemic crises that go far beyond any particular form of political administration.

Indeed, Cheeseman commits a similar oversight in ignoring the previous systemic crisis that the present is in many ways repeating. Later in his piece, he asserts: 'The vast

majority of African states were authoritarian in the 1970s and 1980s, and almost all had poor economic growth.' This is an ahistorical misrepresentation of the profound global crisis that crippled Africa from the late 1970s for about two decades and which was the source of the poor growth he mentions. Then, as now, economic crisis was triggered throughout the continent by the severe tightening of external constraints, which neoliberal structural adjustment programmes exacerbated in a pro-cyclical manner despite being justified in the name of growth. The combination crippled developmentalist strategies across the continent regardless of political variations and despite the fact that many countries were performing quite well before the onset of the crisis. Such historical contextualisation is crucial for a correct assessment of the present.

In this respect, there is a danger of putting the cart before the horse. Most countries that descend into deep protracted crises (economic or political) generally stop being nominally democratic, and yet this result becomes attributed as a cause, as if authoritarianism results in crisis or poor performance. Cheeseman cherry-picks two papers (one a working paper) on [democracy](#)¹⁰ and [development](#)¹¹ performance in Africa (which, like all cross-country regressions, are highly sensitive to model specification and open to interpretation). However, drawing any causality from such studies is problematic given that states tended to become more authoritarian after the global economic crisis and subsequent structural adjustments of the late 1970s and 1980s, not the other way around. For instance, [16 countries were under military rule in 1972, compared with 21 countries in 1989 during the height of adjust-](#)

[ment](#).¹² Faced with crippled capacity under the weight of severe austerity and dwindling legitimacy as living standards collapsed, many states responded to [mass protests](#)¹³ against the harsh conditionalities of adjustment with increasing force. As such, economic crisis and adjustment plausibly contributed to the rise of political instability and increasingly authoritarian regimes. Other factors included the [Cold War destabilisation](#),¹⁴ which western countries fuelled and profited from. In other words, the political malaise across Africa at the time was driven as much by external as by internal factors.

Aid as a lever of regime change

This leads us to our second point concerning Cheeseman's vision of aid as a lever of regime change. Cheeseman is at pains to emphasise that rigged elections and repression of opponents have contributed to the recent emergence of conflict in the Tigray region. While these are important factors, Ethiopian intellectuals have also emphasised that conflicts in contemporary Ethiopia have taken place against a history of imperial state formation, slavery and debates about the '[national question](#)',¹⁵ or what has sometimes been called 'internal colonialism'. These conflicts are shaped by the system of [ethnic federalism](#),¹⁶ in which ethnically defined states control their own revenues, social provisioning and security forces. They have been affected by [foreign agricultural land grabs](#),¹⁷ which interact with older histories of semi-feudal land dispossession. Most recently, there have been concerns that regional tensions over the [Renaissance Dam](#)¹⁸ and [agricultural land](#)¹⁹ may help draw neighbouring countries into the conflict.

In the face of this highly complex and rapidly changing context, no one person can identify the optimal response. It plausibly requires regular collective deliberation by people who are deeply embedded in the context. In particular, the brief political liberalisation of 2018 was followed by a sharp uptick of political violence on all sides, rooted in fundamental tensions between different visions of statehood. Such situations cannot be solved simply by ‘adding democracy and stirring’; they require deliberative governance.

Yet, Cheeseman’s piece seeks a reimposition of the very political conditionalities that were a primary factor in subverting deliberative governance²⁰ on the continent during the first wave of structural adjustment and its attendant Good Governance agendas. Such conditionalities work by constraining the open contestation of ideas and the process of informed consensus-building. They undermine the sovereignty of key institutions of the polity and the economy. And by doing so they degrade the historical meaning of development as a project of reclaiming social and economic sovereignty after colonialism.

Indeed, as Thandika Mkandawire has argued, the previous wave of political conditionalities and democratisation reduced democracies to formal structures of elections and, by wedding and subordinating them to the orthodox economic policy frameworks established under structural adjustment, led to what he called ‘choiceless democracies’.²¹ Such ‘disempowered new democracies’ are incapable of responding to the substantive macroeconomic demands of voters, which undermines substantive democracy, deliberative governance and policy sovereignty.

In particular, the idea of a democratic developmental state is meaningless in the absence of policy sovereignty. The institutional monocropping and monotasking²² of the type that Mkandawire wrote about does not merely prevent key institutions, such as central banks, from using broader policy instruments to support the developmental project. It also involves the deliberate creation of unaccountable policy vehicles, such as Monetary Policy Committees (MPCs), which operate outside of democratic oversight but have considerable hold on the levers of economic policy. MPCs are in turn wedded to neoliberal monetarism. The message to such disempowered new democracies is that ‘You can elect any leader of your choice as long as s/he does not tamper with the economic policy that we choose for you.’ Or as Mkandawire wrote in 1994,²³ ‘two or three IMF experts sitting in a country’s reserve bank have more to say than the national association of economists about the direction of national policy.’

In such contexts, the prospect of a democratic developmental state is severely diminished. Ensuring significant improvements in people’s wellbeing is important for the legitimacy of democracies. Yet the subversion of policy sovereignty significantly constrains the ability of new democracies to do so, setting them up for a crisis of legitimacy.

If democracy is to be meaningful it should involve the active engagement of citizens in a system of deliberative governance. Civil society organisations, in this context, are meaningful when they are autonomous institutions of social groupings that actively engage in boisterous debate and public policymaking in articulating the interest of their members. Yet, donor

clientelism in Africa has wrought civil society and advocacy organisations that are manufactured and funded by, and accountable to, donors²⁴ not the citizens. This is a substantive subversion of democracy as a system of deliberative governance.

In this respect, we can call the kind of intrusive donor clientelism that Cheeseman is recommending Good Governance 2.0. His advocacy for strengthening patron–client relations between western donors and African governments, and his urging that donors use crises as a way of forcing regime change and policy conditionalities, is ahistorical, counterproductive and morally indefensible. In particular, it does not take into account the destructive, anti-democratic role of western-backed regime change and policy conditionality across the Global South during the era of flag independence. Even recently, these donor countries have disastrous human rights records when pushing for regime change in countries such as Afghanistan, Iraq and Libya. Their support for military dictatorships, such as in Egypt, has been a central pillar of foreign policy for decades. And several of these donor countries worked hard to uphold apartheid in South Africa. They have no moral high ground to push for regime change, and little record to ensure that they could do so without causing more harm than good.

Moreover, external actors attempting to enforce their narrow view of democratisation in contexts of deeply polarised and competing visions of statehood, and in the midst of economic instability reinforced by already burdensome economic conditionalities, austerity and reforms, could well be creating a recipe for disaster. As a collective of intellectuals from across the Horn

has emphasised,²⁵ the people of Ethiopia in particular and the Horn in general must be at the forefront of developing a lasting peace. This would likely require a developmental commitment to supporting state capacity and deliberative governance, not undermining it through external interference and conditionalities.

Authors

Jimi Adesina is professor and holder of the South African Research Chair in Social Policy at the College of Graduate Studies, University of South Africa, South Africa.

Andrew Fischer is associate professor in Social Policy and Development at the International Institute of Social Studies (Erasmus University Rotterdam), The Hague, The Netherlands.

Nimi Hoffmann is lecturer at the Centre for International Education at the University of Sussex, United Kingdom.

Notes

1. <https://carnegieeurope.eu/2020/12/22/conflict-in-ethiopia-calls-into-question-authoritarian-aid-pub-83515> (Accessed 22 December 2020).
2. <https://mobile.twitter.com/Fromagehome/status/1341425409162960896> (Accessed 22 December 2020).
3. Thandika Mkandawire and Charles C. Soludo, 1998, *Our Continent Our Future*, Dakar-Ottawa-Trenton, NJ: CODESRIA Books-IDRC-Africa World Press.
4. <https://www.unhcr.org/news/latest/2015/5/554357f06/number-south-sudanese-refugees-ethiopia-passes-200000-mark.html> (Accessed 04 January 2021).
5. <https://www.wfp.org/publications/Ethiopia-0> (Accessed 04 January 2021).
6. <https://www.worldbank.org/en/news/press-release/2018/10/30/world-bank-scales-up-support-to-accelerate-ethiopias-economic-development> (Accessed 04 January 2021).
7. <https://ethiopianmonitor.com/2019/12/13/ethiopia-to-get-3bln-loan-from-world-bank-abiysays/> (Accessed 04 January 2021).
8. <https://www.imf.org/en/News/Articles/2019/12/11/pr19450-ethiopia-imf-reaches-staff-level-agreement-on-a-us2-9-billion-financing-package>. (Accessed 04 January 2021).
9. <https://data.imf.org/regular.aspx?key=62805742> (Accessed 04 January 2021).
10. Robin Harding and David Stasavage, 2013, What Democracy Does (and Doesn't Do) for Basic Services: School Fees, School Inputs, and African Elections, *The Journal of Politics* 76(1), pp. 229–245).
11. Takaaki Masaki and Nicolas van de Walle, 2014, The impact of democracy on economic growth in Sub-Saharan Africa, 1980-2012, *WIDER Working Paper 57/2014*, Helsinki: UNU-WIDER.
12. <https://sites.google.com/site/authoritarianregimedata/> (Accessed 10 January 2021).
13. Silvia Federici, George Caffentzis and Ousseina Alidon, eds., 2000, *A Thousand Flowers: Social Struggles Against Structural Adjustment in African Universities*, Trenton, NJ: Africa World Press.
14. Raul Caruso, Nicola Pontarollo and Roberto Ricciuti, 2019, *Regional diffusion of military regimes in sub-Saharan Africa. Papers in Regional Science*. (Available at <https://sci-hub. ee/10.1111/pirs.12479>).
15. <https://jacobinmag.com/2019/12/ethiopian-student-movement-bahru-zewde-abi-yahmed-1974-revolution> (Accessed 10 January 2021).
16. Constitution of the Federal Democratic Republic of Ethiopia (Available at https://www.icla.up.ac.za/images/constitutions/ethiopia_constitution.pdf).
17. Emily Ingebreetsen, 2017, A Thirsty Third World: How Land Grabs Are Leaving Ethiopia in the Dust', *The Journal of Gender and Water* 4(1), pp. 94-102.
18. Simon Wolfe, 2020, Escalating Tigray conflict can spiral into a regional water war, *Business Day* 07 December 2020. (Available at <https://www.businesslive.co.za/bd/opinion/2020-12-07-escalating-tigray-conflict-can-spiral-into-a-regional-water-war/>).
19. <https://www.reuters.com/article/uk-sudan-ethiopia/sudan-taking-control-of-land-on-border-with-ethiopia-minister-idUKKBN2900J3?edition-redirect=uk>. (Accessed 10 January 2021).
20. Mkandawire and Soludo, *op.cit.*
21. Thandika Mkandawire, 2006, *Disempowering New Democracies and the Persistence of Poverty, Democracy, Governance and Human Rights Programme Paper Number 21*, January 2006, Geneva: UNRISD.
22. Thandika Mkandawire, 2009, *Institutional Monocropping and Monotasking in Africa, Democracy, Governance and Well-Being Programme Paper Number 1*, July 2009, Geneva: UNRISD.
23. Thandika Mkandawire, 1994, Social Sciences in Africa: Some Lessons for South Africa, *South African Sociological Review* 6(2): p. 6.
24. Jimi Adesina, 2020, Policy Merchandising and Social Assistance in Africa: 'Don't Call Dog Monkey for Me', *Development and Change* 51(2): pp. 561–582.
25. <http://www.warscapes.com/blog/ethiopia-urgent-call-and-appeal-peace> (Accessed 10 January 2021).